

Message Text

UNCLASSIFIED

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ACTION EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 AGR-01 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01

DOE-15 /137 W

-----082017 031958Z /21

R 031635Z AUG 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 4665

INFO AMEMBASSY BRUSSELS

USMISSION GENEVA

UNCLAS SECTION 1 OF 2 ROME 14266

BRUSSELS FOR EEC

GENEVA FOR USMTN

FOLLOWING SENT ACTION ROME INFO FLORENCE GENOA MILAN FROM TURIN

ON JUL 31 RPTD TO YOU

QUOTE

UNCLAS TURIN 0315

E.O. 11652: N/A

TAGS: MTN, ETRD, EIND, SOPN, IT

SUBJ: MTN: TEXTILES - STRONG REACTION AGAINST CLAIMED U.S.

POSITION

ROME ALSO FOR ICA

1. SUMMARY. DURING OUR ALL-DAY VISIT TO IMPORTANT PIEDMONT TEXTILE PRODUCING AREA OF BIELLA JULY 25, PRESIDENT OF ITALIAN WOOL INDUSTRY ASSOCIATION COMPLAINED BITTERLY ABOUT WHAT HE SAID WAS TOTALLY INADEQUATE AND "RIDICULOUS" U.S. COUNTERPROPOSAL TO EEC PROPOSAL ON TEXTILE TARIFF REDUCTIONS IN MTN. WE WOULD LIKE TO RESPOND TO THESE ACCUSATIONS AND REQUEST APPROPRIATE

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BACKGROUND MATERIAL; ALSO SUGGEST WE PLACE MORE EMPHASIS IN ICA MEDIA PLACEMENT EFFORTS ON SUCH SPECIFIC ISSUES AND U.S. EFFORTS VIA MTN IN GENERAL (E.G., REGIONAL EXCLUSIVES DIRECTED TOWARD TEXTILE PRODUCING AREAS IN ITALY) AS WE GAINING IMPRESSION FROM THESE AND OTHER CONTACTS IN ECONOMIC SPHERE OF GROWING APPREHENSION OVER U.S. COMMITMENT TO TRADE LIBERALIZATION DESPITE LARGE VOLUME OF MATERIAL WE ALREADY HAVE GIVEN OUT ON

THIS SUBJECT. END SUMMARY.

2. ON JULY 25, COMMERCIAL ASSISTANT GAROSCI AND I TOURED BIELLA AREA TO VISIT WITH INDUSTRIALISTS IN THIS ECONOMICALLY ACTIVE AREA OF PIEDMONT, HEAR THEIR VIEWS ON THE TEXTILE SECTOR (IMPORTANT PORTION OF WHICH CENTERED IN BIELLA AREA), INFORM THEM ON CONSULATE'S COMMERCIAL SERVICES (TRADE OPPORTUNITY PROGRAM, ETC) ALSO VISIT NEW, NATIONAL TEXTILE INSTITUTE UNDER CONSTRUCTION IN BIELLA. TRIP REPORT TO BE IN SUBSEQUENT AIRGRAM FORM, BUT BELIEVE PERCEPTION OF U.S. ATTITUDE IN MTN NEGOTIATIONS TOWARD TEXTILES MERITS MORE IMMEDIATE ATTENTION.

3. AS WE DO NOT HAVE DETAILED BACKGROUND ON USG POSTURE IN MTN RE TEXTILES, WE CAN ONLY REPORT VIEWS OF OBVIOUSLY KNOWLEDGEABLE ITALIAN BUSINESSMAN. GIVEN HIS IMPORTANT NATIONAL POSITION, WE BELIEVE IT WOULD BE VERY USEFUL TO RETURN TO HIM AND HIS BIELLESE COLLEAGUES IF EMBASSY (AND/OR DEPT.) CAN SUPPLY US WITH APPROPRIATE, DETAILED INFO. TO PROVIDE TO BIELLESE TO CORRECT (IF SUCH THE CASE) ANY MISCONCEPTION THEY MAY HAVE OF USG POLICY. I WAS ABLE TO PRESENT GENERAL COMMENTS ON ADMINISTRATION'S DRIVE FOR LIBERALIZATION OF TRADE, HIGHLY ACTIVE ROLE OF AMBASSADOR STRAUSS IN U.S. AND ABROAD, AND EXAMPLES OF OUR SHOE IMPORTS DECISION AND NEW STEEL TRIGGER PRICE MECHANISM (FAVORABLY LAUDED BY IMPORTANT ITALIAN STEEL PRODUCER SUCH AS TEKSID OF FIAT GROUP), AND THUS PRESENT GENERALLY POSITIVE PICTURE OF U.S. TRADE POLICY, BUT I COULD NOT RESPOND TO SPECIFICS OF UNCLASSIFIED

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TEXTILE SECTOR.

4. DURING GENERAL DISCUSSION OF CURRENT ECONOMIC STATUS OF BIELLESE TEXTILE PRODUCERS HELD AT UNIONE INDUSTRIALE OF BIELLA IN PRESENCE OF TOP BIELLESE INDUSTRIALISTS AND PRESIDENT OF FEDERATION OF INDUSTRIAL ASSOCIATIONS IN PIEDMONT REGION (GIORGIO FRIGNANI, A BIELLESE), ING. GIUSEPPE BOTTO-POALA VERY FORCEFULLY (MORE IN SADNESS THAN ANGER) AND KNOWLEDGEABLY DETAILED KEEN DISAPPOINTMENT OF ITALIAN WOOL INDUSTRY WITH U.S. POSITION IN MTN. BOTTO-POALA WHO HAS 600 EMPLOYEE WOOLEN WEAVING FIRM IN BIELLA, ALSO IS PRESIDENT OF THE ITALIAN WOOL INDUSTRY ASSOCIATION (ASSOCIAZIONE DELL'INDUSTRIA LANIERA ITALIANA) AND TRAVELS WIDELY IN EUROPE AND U.S. ATTENDING VARIOUS INDUSTRY MEETINGS. HE SAID HE CHAIRS ITALIAN DELEGATION WORKING ON WOOLEN TEXTILES FOR MTN.

5. BOTTO-POALA REPORTED THAT REQUEST ADVANCED BY "INTERLANE" AND "COMITEXIL" (TWO BODIES HE SAID THAT REPRESENT EEC WOOLEN, COTTO AND SILK INDUSTRIES) TO LOWER AVERAGE AMERICAN IMPORT DUTIES ON TEXTILES FROM 44 PERCENT TO FOUR PERCENT WAS MET WITH U.S. COUNTERPROPOSAL FOR A DROP FROM 44 TO 41.40 PERCENT -- WHICH HE SAID EUROPEANS CONSIDERED AS "RIDICULOUS". HE LAMENTED

(MORE COMING)

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STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
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TO SECSTATE WASHDC 4669
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....LAMENTED

THAT "AMERICAN UNWILLINGNESS TO REACH A REASONABLE COMPROMISE
COULD JEOPARDIZE FUTURE NEGOTIATING PHASE, "ADDING THAT U.S.
PROPOSALS HAD LEFT EEC NEGOTIATORS WITH A "VERY BAD IMPRESSION."
BOTTO-POALA ALSO EMPHASIZED THAT AMERICAN TEXTILE INDUSTRY
HARDLY BOTHERS TO CONCEAL ITS INTENSIVE LOBBYING FOR EVEN
HIGHER PROTECTIVE TARIFFS; AT RECENT INTERNATIONAL WOOL
CONFERENCE IN MONTECARLO, SPOKESMAN FOR J.P. STEVENS VERY OPENLY
ADMITTED TO BOTTO-POALA THAT HIS COMPANY WAS PRESSING HARD
FOR HIGHER DUTIES.

6. BOTTO-POALA SAID HIS ASSOCIATION'S STRONG CONCERNS HAD BEEN
MADE KNOWN TO APPROPRIATE GOI MINISTRIES IN ROME AND HE UNDERSTOOD
THAT GOI WAS TO MAKE (OR HAS ALREADY MADE) REPRESENTATIONS
TO OUR EMBASSY IN ROME.

7. COMMENT. IF INDEED THERE ARE MISCONCEPTIONS INVOLVED HERE,
WE SHOULD DO OUR BEST TO CORRECT THEM. ALSO WISH TO BRING
ADDRESSEES' ATTENTION TO WIDELY READ ECONOMIC DAILY "IL SOLE
24 ORE" JULY 25 ARTICLE DATED WASHINGTON REPORTING THAT
JIMMY CARTER PROBABLY WILL TAKE INITIATIVES EARLY IN 1979
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TO RESTRICT IMPORTS. SUCH PROTECTIONIST MEASURES WOULD FAVOR U.S. PRODCS OF STEEL, TEXTILES AND OTHER PRODUCTS, ARTICLE CONTINUES, AND THEN EXPLAINS SPECIFICS OF INITIATIVES WHICH WOULD BE DIRECTED TOWARD "BUY AMERICAN" PIECES SUCH AS USICA 17705 (INFOGUIDE 78-16 ON MTN FRAMEWORK OF UNDERSTANDING) ARE HELPFUL TO US (WE NOTE HEREIN THAT "UNOFFICIAL ESTIMATES PLACE AVERAGE CUTS AT 30-35 PERCENT" FOR INDUSTRIAL TARIFFS), AND RECOMMEND WE ATTEMPT TO INCREASE OUR PLACEMENTS RE MTN IN ITALIAN MEDIA (REGIONAL EXCLUSIVES MIGHT BE VERY USEFUL IN SUCH TEXTILE CENTERS AS BIELLA AND PRATO, ASUMING WE HAVE AN APPROPRIATE MESSAGE. TO CONVEY).

8. ACTIONS REQUESTED:

A. EMBASSY (AND/OR DEPT.) SUPPLY US WITH APPROPRIATE AND DETAILED MATERIAL WHICH WE CAN PROVIDE TO BOTTO-POALA AND OTHER BIELLESE TEXTILE PRODUCERS.

B. EMBASSY/ICA CONSIDER PREPARATION OF SPECIFIC "INFOGUIDE" ON U.S. POSITION ON TEXTILES IN MTN AND REGIONAL EXCLUSIVES OR OTHER MEDIA RELEASES (IN ITALIAN) BASED ON SUCH BACKGROUND OR OTHER MATERIAL SUCH AS STATEMENTS OF USG REPRESENTATIVES IN THIS SPECIFIC AREA.

9. EMBASSY PLEASE REPEAT TO DEPT. AND GENEVA IF APPROPRIATE.

WRIGHT
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HOLMES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, POLICIES, TARIFF SCHEDULES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME14266
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780318-0860
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808102/aaaadhor.tel
Line Count: 200
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 260c0358-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1546732
Secure: OPEN
Status: NATIVE
Subject: MTN: TEXTILES - STRONG REACTION AGAINST CLAIMED U.S. POSITION ROME ALSO FOR ICA
TAGS: ETRD, EIND, SOPN, IT, US, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/260c0358-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014